FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

THE UNIVERSITY OF WINNIPEG

WINNIPEG, MANITOBA, CANADA

THE UNIVERSITY OF WINNIPEG

FINANCIAL STATEMENTS

for the year ended March 31, 2001

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The UNIVERSITY of WINNIPEG

Report on Financial Results
Vice-President (Finance & Administration)

The University of Winnipeg's financial statements as of and for the year ended March 31, 2001 reflect the financial aspects of:

a) undergraduate and graduate university programming (arts, science, education and theology);
b) endowed chairs;
c) the Continuing Education Division;
d) the Collegiate (an independent high school operated as a Division of the University);
e) Campus Services (Bookstore, Printing Services, Parking, Food Services and Student Housing);
f) Institute of Urban Studies;
g) Virtuosi Concerts (Mb.) Inc.;
h) sponsored research and designated accounts (which are subject to the direction and/or funding of others);
i) restricted funds (which are subject to internally determined restrictions as to use); and
j) the Endowment Fund.

During the fiscal year, approximately 7,000 full and part-time students attended the University' s credit programming. The Collegiate had an enrolment of approximately 600 students, and Continuing Education recorded approximately 9,500 individual registrations.

The Statement of Financial Position, Statement 1, reflects a University at financial risk. Notwithstanding a $14 million ahort-term investment held for major campus renovations and a negotiated pension contribution credit of $9.974 million, current liabilities exceed current unrestricted assets. Unrestricted Net Assets is in an accumulated deficit position, which has increased in fiscal 2000-2001.

The annual expenditure to maintain, repair and enhance facilities, equipment and other capital assets is inadequate to fully meet the effects of obsolesence, wear and tear. While the Endowment Fund is increasing at a faster rate than the annual rate of inflation, the investment income being derived therefrom is insufficient to meet the full annual cost of student scholarships and bursaries. This deficiency requires the expenditure of general grant and tuition fee revenues to meet the annual student scholarship and bursary budget. The library acquisition budget is almost totally dependent upon general revenue, as Library endowments are relatively nominal.

The Statement of Operations, Statement II, reports revenues and expenses associated with unrestricted and certain restricted operations on a combined basis, and excludes investment income on Endowments, gifts, and expenditures and provisions related to capital assets. Overall, while the University reported a surplus on Statement II operations of $241,000 (1999- $40,000 deficit), certain Statement III net expenditures (capital expenditures less amortization and a transfer from Internally Restricted Net Assets to meet 2000-2001 capital improvements, and gifts transferred to Trust and Endowment accounts) resulted in a further deterioration in the accumulated Unrestricted Net Assets of $535,000. As of March 31, 2001, the University had an accumulated deficit in its Unrestricted Net Assets of $3,255,000. On a going-forward basis, provincial statute requires the University to balance this account on an annual basis.

During the year, the University expended $4,154,000 on capital assets. Included in these expenditures were three major projects aggregating approximately $3.3 million in expenditures, and a host of relatively minor facility-related, equipment, software and capital asset expenditures. Phase II of the T-21 project (the development of a Theatre building) was completed, as was the renovation of the third floor of the Duckworth Centre, to provide a modern and well-equipped setting for the Administrative Studies and Business Computing programs.

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The remainder of the T-21 project awaits a major capital fund-raising campaign. A research-orientated infrastructure project related to sustainable development was completed with the assistance of federal, provincial and private funds.

The Government of Manitoba provided the University in March 2001 $14 million towards the revitalization of the campus' facilities. An internal committee is currently developing a construction plan; the undertaking of the revitalization also awaits the major capital campaign to be commenced as early as fiscal 2001-2002. The $14 million is held within the Trust funds of the University.

In 2000-2001, credit enrolments increased by 5%, representing the second year of enrolment gains following a five year succession of years of decline. A further increase is expected in fiscal 2001-2002, as the University continues its 'students first" focus. Credit tuition fees were reduced by 10% in the fall of 2000, as the result of a government direction. The government provided compensation for the effect on revenue of the reduction, and the accompanying freeze on tuition fee schedules. The University of Winnipeg remains more dependent upon tuition fee revenue, relative to government support, than any other Manitoba university and most other Canadian universities.

During the year, the University and the campus community reached an understanding with respect to a surplus within the pension plan. This understanding will result in the distribution of approximately $10.3 million of Plan surplus to Plan Members, and the taking of a contribution holiday of equivalent value. The contribution holiday reduced operating expenditures in the fiscal year by approximately $1.4 million, and is expected to continue for several more years unless arrested by a major investment market correction requiring additional pension contributions by the University.

Note 14 to the statements segments the operating results of three major operating units; the Collegiate, the Continuing Education Division and Campus Services. Continuing Education's gross revenues rose significantly for the second year in succession, as its information technology and ESL (English as a Second Language) courses continued to gain additional registrations. The Collegiate is funded through a combination of government grants and student tuition fee revenue; losses experienced in recent years have been met by general University revenue. Campus Services' revenue is largely the result of Bookstore text sales, parking charges to employees and printing costs allocated to departments. The University's housing operation is managed from within the University of Winnipeg Educational Housing Corporation, a not-for-profit operation focused on providing international, rural, ex-Manitoba Canadian, and aboriginal students affordable quality housing. The first phase of the housing program was completed last fall, and 32 students took up residence in reclaimed and refurbished inner-city houses adjacent to the campus.

Academic and administrative planning is on-going at the University, as ways and means to effect further programming improvements and enrolment increases are being sought, notwithstanding the University's restricted fiscal means. There has been an on-going effort for many years to secure a level playing field in respect to provincial government grants. Despite a significant improvement in the level of government support gained in 1998-99, the University remains under-funded relative to other Manitoba universities and virtually all other universities in western Canada.

Investment earnings from endowments benefit student scholarships and bursaries, library acquisitions and other University projects. Student scholarship and bursary funding provided through annual gifts and investment earnings generated by the Endowment Fund are supplemented by an allocation of the University's general grant and fee revenues and the Manitoba Scholarship and Bursary Initiative. Providing wide access to university education is a paramount objective of the University.

Plans are being put in place to increase revenues from private fund-raising, and, as previously indicated, through attracting additional enrolments. In this latter respect, the University's programming partnership arrangements with Red River College, the expansion of the University's education programming, and the new student housing and aboriginal student services initiatives augur well for the University's future growth prospects.

As reported, the University's focus is on enrolment management, private fund-raising and the provision of an increasingly up-to-date campus and technological base. Students seek the presence of modern technology and facilities, to complement an excellent faculty, when deciding upon a university to attend. The University of Winnipeg remains committed to meeting these conditions.

The University's objective remains to attract students from a wide variety of backgrounds and locations through a combination of high quality academic programming, with enhanced services and facilities, while providing for additional gains in administrative productivity through the increasing utilization of the new technologies.

The Board of Regents have adopted a balanced budget for 2001-2002, a balance brought about by a planned draw-down of the remaining Unrestricted trust reserves of the University, and the savings from the on-going employer-only pension contribution holiday. The Board of the Regents and the Administration of the University is pursuing discussions with government towards placing the University on a sustainable financial basis by fiscal 2002-2003.

The University's primary assets are its faculty, support staff, Board of Regents, and alumni and other volunteers.

Graham F.J. Lane CA
Vice-President (Finance & Administration)
The University of Winnipeg

June 7, 2001

The UNIVERSITY of WINNIPEG

~~OFFICE OF THE CONTROLLER~~
FINANCIAL SERVICES

UNIVERSITY OF WINNIPEG

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with generally accepted accounting principles. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data. Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and to ensure the assets of the University are properly safeguarded.

The Board of Regents has reviewed and approved these financial statements.

On Behalf of Management

Graham F.J. Lane, C.A.
Vice-President Finance & Administration

B. Douglas Prophet, C.A.
Executive Director, Financial Services

Winnipeg, Manitoba
June 7, 2001

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Winnipeg, Manitoba
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AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Board of Regents of The University of Winnipeg

We have audited the statement of financial position of The University of Winnipeg as at March 31, 2001 and the statements of operations, changes in net assets and changes in cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
June 7, 2001

Jon Singleton, CA•CISA
Provincial Auditor

THE UNIVERSITY OF WINNIPEG
STATEMENT OF FINANCIAL POSITION
as at March 31, 2001
(with comparative figures for 2000)

Statement I

ASSETS

	2001 $000	2000 $000
Current Assets:		
Short Term Investments (Note 3)	$7,859	$10,659
Accounts Receivable & Prepaid Expenses (Note 4)	3,225	2,960
Inventory	560	433
	11,644	14,052
Long Term Receivables	375	
Investment for Campus Development (Note 5)	14,000	
Pension Contribution Credit (Note 14)	9,974	10,349
Long Term Investments (Note 3)	18,140	17,029
Capital Assets (Note 6)	42,678	38,544
	$96,811	$79,974

LIABILITIES AND NET ASSETS

Current Liabilities:		
Bank Overdraft (Note 9)	$ 767	$ 1,104
Accounts Payable & Accrued Liabilities	4,989	4,928
Deferred Revenue	1,023	1,006
Deferred Contributions (Note 7)	3,981	5,053
Unfunded Staff Benefits (Note 8)	938	1,589
	11,698	13,680
Long Term Liabilities (Note 10)	687	774
Deferred Capital Contributions (Note 11)	44,883	28,581
Net Assets:		
Unrestricted Net Assets	(3,255)	(2,720)
Internally Restricted Net Assets	11,662	12,694
Endowments	19,691	17,308
Investment in Capital Assets	11,445	9,657
	39,543	36,939
	$96,811	$79,974

Commitments and Contingencies (Note 16)

Approved by the Board of Regents

Raymond E. Wyant
Chair, Board of Regents

J. Richard C. Graydon
Chair, Finance Committee

THE UNIVERSITY OF WINNIPEG
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2001
(with comparative figures for 2000)

Statement II

	2001 $000	2000 $000
REVENUE		
Government Grants	$33,213	$30,220
Student Academic Fees	17,947	17,872
Gifts, Grants & Bequests	125	277
Investment Income	1,390	1,334
Sales of Services & Products	2,943	2,629
Other Revenues	2,933	3,187
Amortization of Deferred Capital Contributions	1,008	958
	59,559	56,477
EXPENSE		
Salaries	35,281	33,771
Staff Benefits	2,915	3,561
Supplies, Services & Other Expenses	8,524	8,005
Cost of Sales	2,029	1,620
Building, Utility & Related Expenses	3,793	3,798
Provincial & Municipal Taxes	3,050	3,278
Scholarships & Awards	1,214	1,109
Amortization of Capital Assets	2,512	2,294
	59,318	57,436
EXCESS OF REVENUE OVER (UNDER) EXPENSE (Prior to Extraordinary Item)	$241	($959)
Extraordinary Item - Sale of Interest in MBnet Networking Inc.		919
NET EXCESS OF REVENUE OVER (UNDER) EXPENSE	$241	($40)

THE UNIVERSITY OF WINNIPEG
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2001
(with comparative figures for 2000)

	2001					2000
	UNRESTRICTED NET ASSETS $000	INTERNALLY RESTRICTED NET ASSETS $000	ENDOWMENTS $000	INVESTMENT IN CAPITAL ASSETS AND COLLECTIONS $000	TOTAL $000	TOTAL $000
BALANCE, BEGINNING OF YEAR AS PREVIOUSLY STATED	$ (2,720)	$ 2,345	$17,308	$9,657	$26,590	$23,247
Restatement of Prior Year (Note 14)		10,349			10,349	
RESTATED BALANCE, BEGINNING OF YEAR	(2,720)	12,694	17,308	9,657	36,939	23,247
Excess of Revenue (Expense)	241				241	(40)
Direct Increases (Decreases):						
Endowment Contributions			1,726		1,726	1,893
Endowed Investment Earnings			477		477	1,396
Unspent Investment Earnings			180		180	108
Capital Asset Retirements				(20)	(20)	(14)
Transfers:						
Internally Funded:						
Capital Asset Additions	(3,312)			3,312	0	0
Amortization of Capital Assets	1,504			(1,504)	0	0
Amortization of Pension Contribution Credit	375	(375)			0	0
Capital Funding Deficiency	842	(842)			0	0
Internally Restricted Net Assets	(185)	185			0	10,349
NET CHANGE FOR THE YEAR	(535)	(1,032)	2,383	1,788	2,604	13,692
BALANCE, END OF YEAR	($3,255)	$11,662	$19,691	$11,445	$39,543	$36,939

THE UNIVERSITY OF WINNIPEG
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2001
(with comparative figures for 2000)

Statement IV

	2001 $000	2000 $000
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Excess of Revenue Over (Under) Expense	$241	$ (40)
Items Not Affecting Cash Flow:		
Amortization of Deferred Capital Contributions	(1,008)	(958)
Amortization of Pension Contribution Credit	375	
Amortization of Capital Assets	2,512	2,294
Loss on Retirement of Capital Assets	20	14
Change in Non-Cash Operating Working Capital (Note 12)	(2,037)	4,139
	103	5,449
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
Change in Long Term Receivables	(375)	
Change in Investment for Campus Development	(14,000)	
Change in Long Term Investments	(1,111)	(2,803)
Capital Asset Additions	(6,666)	(4,270)
	(22,152)	(7,073)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Long Term Debt Repayments	(87)	(710)
Endowment Contributions Received	1,726	1,893
Deferred Capital Contributions Received	17,353	184
Adjustment to Deferred Capital Contributions Received	(63)	(116)
Endowed Investment Earnings	477	1,396
Unspent Investment Earnings	180	108
	19,586	2,755
INCREASE IN CASH AND CASH EQUIVALENTS	(2,463)	1,131
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,555	8,424
CASH AND CASH EQUIVALENTS, END OF YEAR	$7,092	$9,555
Cash and Cash Equivalents Consists of:		
Short Term Investments	7,859	10,659
Bank Overdraft	(767)	(1,104)
	$7,092	$9,555

THE UNIVERSITY OF WINNIPEG
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2001

1. Authority and Purpose

The University of Winnipeg operates under the authority of the University of Winnipeg Act of the Province of Manitoba. The primary role of the University is to provide post secondary education and research in the humanities, sciences and social sciences. The University also operates the Collegiate, an independent high school and a number of other education related activities. The University is a registered charity and is exempt from the payment of income taxes.

2. Summary of Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with generally accepted accounting principles.

A) Contributions

The University has chosen to use the deferral method of accounting for contributions, one preferred by the Canadian Association of University Business Officers (CAUBO). Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Restricted contributions are stipulations imposed that specify how resources must be used. External restrictions are imposed from outside the organization, usually by the contributor of the resources. Restrictions on contributions may only be externally imposed.

B) Revenue Recognition

Operating grants are recognized as revenue in the period received. Revenues received for tuition fees and sales of goods and services are recognized in the period in which the goods are received or the services rendered or substantially rendered.

Deferred contributions are externally restricted non-capital and non-endowment contributions which are deferred and are recognized as revenue in the period in which the related expenses are incurred.

Externally restricted contributions for the acquisitions of capital assets having limited lives are recorded as deferred capital contributions in the period in which they are received. Amortization of deferred capital contributions is recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.

Endowment contributions are recorded as direct increases in net assets in the period in which they are received.

C) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and highly liquid temporary money market instruments with original maturities of one year or less. Bank borrowings are considered to be financing activities.

D) Investments

Investments are recorded at cost. When there has been a loss in the value of a long term investment, that is other than a temporary decline, the investment is written down to recognize the loss.

E) Inventories

Bookstore and Printing inventories are valued at the lower of cost or net realizable value.

F) Capital Assets and Collections

Capital assets and collections purchased by the University are recorded at cost. Donated assets are recorded at estimated fair market value on the date received. Land, collections of rare books and works of art are not amortized. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings and Additions	60 years
Lease Hold Improvements	Term of Lease
Library Acquisitions	10 years
Furnishings & Equipment	10 years
Major System Computer Software	10 years
Computer Equipment & Software	5 years
Vehicles	5 years

G) Pension Plan

The University contributes to The University of Winnipeg Pension Plan which is an employer-trusteed pension plan for University employees. Contributions by the University are recorded as expenses.

The accounts of The University of Winnipeg Pension Plan do not form part of the University's financial statements. The Plan's financial statements are audited by the Provincial Auditor.

H) Endowment Investment Income Capitalization

The University capitalizes investment income on endowment funds in excess of the amount required for annual distribution. The annual distribution of income is based on 5% of the 5 year average market value of the endowment fund.

I) Financial Instruments

Financial instruments include receivables, investments, bank overdraft, payables and accrued liabilities and long-term debt.

a) Fair Value of Financial Instruments

The fair value of financial instruments are assumed to approximate carrying values, unless otherwise noted.

b) Credit Risk

The University is subject to credit risk through receivables. Receivables are with numerous organizations and individuals which reduces the concentration of credit risk.

c) Interest Rate and Foreign Exchange Risk

Interest rates, maturities and security affecting the interest rate risk of the University's financial assets and liabilities have been disclosed in Notes 3, 9 and 10.

The University is subject to foreign exchange risk because a portion of its financial instruments are denominated in foreign currencies.

The financial risk is the risk to the University's earnings that arises from fluctuations in interest rates and foreign exchange rates and the degree of volatility of these rates. The University does not use derivative instruments to reduce its exposure to interest rate and foreign exchange risk.

J) Use of Estimates

In preparing the University's financial statements, management is required to make estimates and assumptions that reflect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

3. Investments

Short term investments consist of current operating and trust investments:

	March 31, 2001		March 31, 2000	
	Fair Value $000	Cost $000	Fair Value $000	Cost $000
Short Term Investments				
Provincial Instruments	$4,990	$4,990	$9,117	$9,117
Bankers Acceptance	2,451	2,451	572	572
Government of Canada Treasury Bills	418	418	970	970
	$7,859	$7,859	$10,659	$10,659

Long term investments are comprised of endowment funds:

	March 31, 2001		March 31, 2000	
	Fair Value $000	Cost $000	Fair Value $000	Cost $000
Long Term Investments				
Mennonite Studies				
Bonds and Debentures				
Government of Canada	659	600	664	600
Pooled Funds				
Bonds and Debentures	5,632	5,607	6,628	6,741
Canadian Equities	3,604	3,989	3,255	2,972
U.S. & International Equities	6,893	7,607	5,114	4,652
Property	375	287	375	287
Winnipeg Winter Club Shares	50	50	50	50
Short Term Notes, Commercial Paper and Treasury Bills			1,727	1,727
	16,554	17,540	17,149	16,429
	$17,213	$18,140	$17,813	$17,029

Fair value, as represented above, was derived from the market value of investments. In 2001, the fair value of long term investments has declined below cost. The University believes this to be a temporary decline.

4. Accounts Receivable & Prepaid Expenses

The major components of Accounts Receivable and Prepaid Expenses are:

	2001 $000	2000 $000
Province of Manitoba Grant - Collegiate	$328	$338
Research Receivable	286	808
Investment Income Receivable - Operating	144	191
Investment Income Receivable - Trust & Endowment	410	294
Student Fees	313	204
Menno Simons College	235	76
Pledges Receivable	275	
Prairie Women's Health	170	23
Other Receivables	779	837
Prepaid Expenses	285	189
	$3,225	$2,960

5. Investment for Campus Development

The Investment for Campus Development consists of a contribution by the Provincial Government for planned future development. The funds are invested in short term Bankers Acceptances.

6. Capital Assets

	Cost $000	2001 Accumulated Amortization $000	Net Book Value $000	2000 Net Book Value $000
Land	$1,526		$1,526	$1,526
Buildings, Additions and Improvements	46,702	13,422	33,280	29,904
Library Acquisitions	10,495	8,751	1,744	1,712
Furnishings and Equipment	19,188	14,081	5,107	4,381
Collections	1,021		1,021	1,021
	$78,932	$36,254	$42,678	$38,544

Collections include Art Work & Rare Books recorded at fair value. The insured value of capital assets is $202.0 million.

7. Deferred Contributions

Deferred contributions represent contributions received for special purposes such as Sponsored Research, Designated Funds and Special Purpose Trust consisting of scholarships, library acquisitions and lecture funds.

	2001 $000	2000 $000
Balance, Beginning of Year, as Previously Stated	$5,053	$3,268
Contributions Received	3,622	4,932
Contributions Expended	(3,646)	(2,335)
Transferred to Endowment	(914)	(735)
Transferred to Accounts Payable	(134)	(77)
Balance, End of Year	$3,981	$5,053
Balance Consists of:		
Sponsored Research & Designated Funds	$2,350	$2,695
Special Purpose Trust	1,631	2,358
	$3,981	$5,053

8. Unfunded Staff Benefits

The balance of unfunded staff benefits includes:

	2001 $000	2000 $000
Accrued Vacation Pay	$870	$811
Early Retirement Payable - Current Portion	19	736
Supplementary Pension Payable - Current Portion	49	42
	$938	$1,589

9. Bank Line of Credit

The University has an operating line of credit with a bank in the amount of $750,000 that is unsecured and bears interest at prime rate. At March 31, 2001, the outstanding balance was $564,000.

10. Long Term Liabilities

	2001 $000	2000 $000
Early Retirement Payable	$21	$46
Mortgage Payable	351	371
Supplementary Pensions Payable	315	357
	$687	$774

The mortgage payable is for Graham Hall and is payable to Canada Mortgage and Housing at 5 3/8% due April 2, 2012. The Council on Post-Secondary Education annual operating grant provides for the $40,054 annual mortgage payment.

11. Deferred Capital Contributions

Deferred capital contributions represent the unexpended and unamortized contributions for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations.

	2001 $000	2000 $000
Balance, Beginning of Year	$28,581	$29,425
Contributions Received	17,353	184
Adjustment to Contributions Receivable	(63)	(116)
Gifts in Kind	0	26
Mortgage Principal Contributions	20	20
Transfer to Revenue - Amortization	(1,008)	(958)
Balance, End of Year	$44,883	$28,581

12. Supplemental Cash Flow Information

	2001 $000	2000 $000
Change in non-cash operating working capital:		
Accounts Receivable and Prepaid Expense	($265)	$1,662
Inventory	(127)	353
Accounts Payable and Accrued Liabilities	61	(327)
Deferred Revenue	17	(60)
Deferred Contributions	(1,072)	1,785
Unfunded Staff Benefits	(651)	726
	($2,037)	$4,139

13. University of Winnipeg Pension Plan

The University of Winnipeg Pension Plan was established as a contributory defined benefit pension plan at September 1, 1972. The plan is registered under the Income Tax Act and the Manitoba Pension Benefits Act (Registration #309914). A Pension Committee oversees the administration of the plan, monitors investments and makes policy recommendations to the Board of Regents of the University. A trust company holds the assets under a trust agreement and provides daily administration of the Pension Plan. Professional investment managers administer the portfolio.

The Plan covers all eligible employees of the University of Winnipeg, except those who are members of the United Church of Canada Pension Plan. Permanent academic employees join the Plan on their date of employment. Permanent non-academic employees may elect to join on their date of employment but must join on their first anniversary date of employment.

At December 31, 2000 the fair value of the Plan's net assets was $116,498,672 (1999 - $114,222,984). Under the Plan, contributions are made by Plan members and matched by the University of Winnipeg. A member who receives benefits from the long term disability plan of the University is not required to contribute to the Plan. The annual pension payable to a member on retirement is based on the member's final average earnings and years of credited service.

At January 19, 2001, the pension plan was amended to allow for the following changes to the plan effective January 1, 2000:

a) An allocation of the pension fund surplus and investment reserve totalling approximately $11,269,500 to plan members;

b) The granting to the University of a pension contribution holiday, with a value of approximately $11,269,500, less a contribution reserve of $920,000, for a total of $10,349,500;

c) Provide for the surplus allocated to plan members to be used to make a lump sum payment and/or provide for improvements to pension benefits;

d) Establishment of a defined contribution pension arrangement and an option made available to eligible plan members to elect to convert their defined benefit pension to a defined contribution pension.

As a result of the above amendments, plan members at December 31, 2000, who were less than age 55 at December 31, 1999, could elect to either remain in the existing contributory defined benefit pension plan or alternatively, convert their accrued benefits at December 31, 1999 to a defined contribution equivalent. This would result in their future benefits being determined on a defined contribution basis. Approximately one-quarter of the eligible members converted to the defined contribution plan. Employees at December 31, 2000 who were not members of the plan at that date may elect to have their future benefits determined on a defined benefit or a defined contribution basis. Employees hired after December 31, 2000 will have their future benefits determined on a defined contribution basis.

During 2001, the Pension Committee will be replaced by a Board of Trustees that will have absolute authority over the operation of the plan, with the exception being that the Board of Trustees may not take any action that might result in an increase in the University's contribution rate.

Pursuant to the plan amendment, the University contributed $347,138 in 2000 (1999 - $1,350,915) compared to plan members' contributions of $1,419,690 (1999 - $1,350,915) respectively. The balance of the matching contribution required of the University was deducted from the pension contribution credit, net of the interest credit.

In accordance with the Pension Plan, an actuarial valuation is required at least every 3 years. An actuarial valuation of the University of Winnipeg Pension Plan was completed during 2000 by Eckler Partners Ltd. as of December 31, 1999 and the results of this valuation, which were extrapolated to December 31, 2000, indicated accrued pension benefits of $98,055,000 (1999 - $90,960,000), comprised of a defined benefit amount of $90,896,000 and defined contribution amount of $7,159,000.

In the event that the actuarial valuation of the Plan determines that the Plan is not fully funded, the University is responsible for providing adequate funding levels in accordance with the Pension Benefits Act of Manitoba.

14. Restatement of Prior Year

As a result of the Pension Plan amendments, as discussed in note 13, the University has recorded a pension contribution credit. The net effect on the prior year was an increase in the pension contribution credit of $10,349,500 and an increase in the internally restricted net assets of $10,349,500. The pension contribution credit is only available to offset matching pension contributions and has therefore been recorded as an internally restricted net asset.

In 2001, the Pension Contribution Credit was reduced by amortization totalling $375,000 to $9,974,000.

15. Segmented Operations

Included in the excess of income over expenses in the Statement of Operations is:

	2001			2000		
	Revenue $000	**Expense $000**	**Surplus (Deficit) $000**	**Revenue $000**	**Expense $000**	**Surplus (Deficit) $000**
Collegiate	$2,565	$2,875	($310)	$2,503	$3,091	($588)
Continuing Education	3,258	3,486	(228)	2,730	2,875	(145)
Campus Operations	3,664	3,708	(44)	3,240	3,014	226
	$9,487	$10,069	($582)	$8,473	$8,980	($507)

16. Loan Guarantees and Commitments

The University of Winnipeg has guaranteed a loan made by the Toronto Dominion Bank to the University of Winnipeg Students' Association (UWSA). The outstanding balance of the loan as at March 31, 2001 is $207,218 (2000 - $285,761). The loan was advanced to meet the UWSA's commitment in respect to the financing of the Bulman Student Centre.

The University has guaranteed a $700,000 line of credit obtained by the University of Winnipeg Housing Corporation. The outstanding balance at March 31, 2001 was $605,985.

The University has lease obligations that cover equipment and building space integral to the University's operations. The lease obligations expire at various dates up to and including March 31, 2006. These lease contracts require annual payments over the next 5 years as follows:

2001/02	$1,022,088
2002/03	$960,460
2003/04	$811,495
2004/05	$707,637
2005/06	$337,838

17. Reclassification of Comparative Figures

Certain 2000 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2001.

SCHEDULE

THE UNIVERSITY OF WINNIPEG
SCHEDULE OF CHANGES IN UNRESTRICTED NET ASSETS
For the Year Ended March 31, 2001

Schedule 1

	Operating $000	Collegiate $000	Ancillary $000	Elimination of Internal Printing Sales $000	Total $000
REVENUE					
Government Grants					
General Operating Baseline	$29,583	$1,094	$	$	$30,677
Targeted (Access Grant)	557				557
Special Funding	1,237				1,237
Equipment & Renovations	550				550
Total Government Grants	31,927	1,094	0	0	33,021
Student Academic Fees					
Tuition Fees Credit	13,733	1,460			15,193
Tuition Fees Non-Credit	2,411				2,411
Misc. Academic Fees	330	13			343
Total Student Academic Fees	16,474	1,473	0	0	17,947
Investment Income	338				338
Sales of Services & Products	144		3,661	(862)	2,943
Other Revenues	3,231	16	3		3,250
Total Revenues	52,114	2,583	3,664	(862)	57,499
EXPENSE					
Faculty Salaries	16,536	970			17,506
Sessional/Term	986	267			1,253
Teaching Stipends	2,860	188			3,048
Teaching & Research Assistants	309	5			314
Support Staff Salaries	10,557	261	383		11,201
Casual/Sess. Term	1,233	11	64		1,308
Total Salaries	32,481	1,702	447	0	34,630
Staff Benefits	2,355	123	38		2,516
Admin. Supplies & Expenses	933	69	14		1,016
Telephone & Fax	50	1	2		53
Printing & Copying	734	38	13	(221)	564
Laboratory & Teaching Supplies	232	16			248
Travel	457	4	7		468
Development	662	26	3		691
Utilities	1,526	2	3		1,531
Other Services	1,027	112	11		1,150
Grants Awarded	194				194
Property Taxes	2,336				2,336
Payroll Tax	659	37	10		706
Insurance	124				124
Repairs & Maintenance	1,242	3	38		1,283
Contracted Services	1,728	33	5		1,766
Cleaning & Security Contracts	808				
Space Rental	337				
Cost of Sales	82		2,587	(641)	2,028
Library Acquisitions	1,257				1,257
Capital Assets	1,598	22	26		1,646
Major Renovations	2,593		34		2,627
Scholarships & Awards	49				49
Internal Operating Grants	30				
Recoveries - Internal	(618)	627	470		479
Interfund	(563)	60			(503)
Total Expenditures	52,313	2,875	3,708	(862)	58,034
Net Change in Unrestricted Net Assets (Stmt. III)	(199)	(292)	(44)	0	(535)
Unrestricted Net Assets, Beginning of Year					(2,720)
Unrestricted Net Assets, End of Year (Stmt. I)					($3,255)